

## TECHNICAL EXHIBIT 1

### PERFORMANCE REQUIREMENTS SUMMARY

1. The purpose of this exhibit is to:

1.1 List the contract requirements considered most critical to acceptable contract performance (Required Service). These requirements are not to be construed as the only performance indicators to be utilized by the Contracting Officer in determining satisfactory performance of the contract, as Contract Discrepancy Reports (CDRs) are issued for other than performance indicators listed here. The criticality of CDRs will be determined by the Contracting Officer and a corresponding deduction for non-performance will be assessed.

1.2 Summarize or establish the standard for perfect performance required by the contract for each required service (Standard of Performance).

1.3 Establish the maximum allowable degree of deviation from perfect performance for each requirement (Acceptable Quality Level-AQL) that will be allowed by the Government before contract performance is considered unsatisfactory.

1.4 Explain the quality assurance method the Government will use for each required service to evaluate the Contractor's performance in meeting the contract requirements (Method of Surveillance).

1.5 Show the percentage of the monthly contract price that each listed required service represents.

1.6 Define the procedure the Government will use in reducing the Contractor's monthly payment if satisfactory performance is not rendered by the Contractor.

2. The Government's primary quality assurance procedures (Method of Surveillance) are based on random sampling of the critical output products (required service) of the contract using the concepts of ANSI/ASQC Z1.4. Some contract requirements will, however, be surveilled using Contractor reports.

3. The criteria for acceptable and unacceptable performance under this contract shall be as follows:

3.1 Required Services surveilled by Random Sampling: Criteria shall be as derived from ANSI/ASQC Z1.4 based on the lot size, sample size, and Acceptable Quality Level (AQL) for each required service. When the number of defects in the Contractor's performance discovered by the Quality Assurance Evaluator (QAE) exceeds the acceptable level, the Contractor shall be required to complete a CDR. The CDR requires the Contractor to explain in writing why performance was unacceptable, how performance shall be returned to acceptable levels, and how recurrence of the problem shall be prevented in the future.

3.2 Required Services Surveilled by Other Than Random Sampling: The criteria for non-sampled requirements were established based upon the level of performance experienced when the service was performed by Government personnel or are the level of performance deemed acceptable to the Government and further justification for use of established AQLs is not deemed necessary. The use of the CDR as described in Paragraph 1.1 applies to these requirements as well.

4. Each month the Contractor's performance will be compared to contract standards and Acceptable Quality Levels using the Government's Quality Assurance Surveillance Plan. If the performance of any listed required service is unsatisfactory and the poor performance is not caused by reasons beyond the control of and without fault of negligence by the Contractor, an amount of money up to the percentage cost of the required service (as stated in the fifth column of the Performance Requirements Summary Table) will be deducted from the monthly amount otherwise payable to the Contractor.

4.1 The amount of money to be deducted for unsatisfactory performance using the random sample method will be computed as follows:

EXAMPLE:

IF: Quality of required service is unsatisfactory (AQL of 6.5% is exceeded),  
AND: Contract price is \$100,000 per month,  
AND: Quality of required service deduct percentage is 10%,  
AND: Sample size is 50,  
AND: Number of defects in the sample is 10 (reject number is 8),  
THEN: Deduction from the monthly amount payable is computed:

Contract price per month	\$100,000
× Deduct Percentage	<u>.10</u>
× Percent of Sample Defective	<u>.20</u> (10÷50)
Deduction is	\$ 2,000

4.2 Required Services Surveilled by Other Than Random Sampling: For required services which are not surveilled by random sampling, the percentage of the monthly contract price (as indicated in the fifth column of the Performance Requirements Summary Table) will be deducted as above EXCEPT the defects are divided by the total lot size.

EXAMPLE:

IF: Quality of required service is unsatisfactory (AQL of 6.5% is exceeded),  
AND: Contract price is \$100,000 per month,  
AND: Quality of required service deduct percentage is 15%,  
AND: Sample size is 150,  
AND: Number of defects in the sample is 30 (reject number is 8),  
THEN: Deduction from the monthly amount payable is computed:

Contract price per month	\$100,000
× Deduct Percentage	<u>.15</u>
× Percent of Sample Defective	<u>.20</u> (30÷150)
Deduction is	\$ 3,000

5. During the first two months of performance under this contract (not Option Periods), a larger error rate, or AQL is allowed for certain required services to recognize normal phase-in problems. The figures contained in parenthesis in the AQL column of the Performance Requirements Summary Table are the AQLs that will be used during the Phase-in period to determine satisfactory/unsatisfactory performance and any deduction.

6. The rights of the Government and remedies described in this Performance Requirement Summary are in addition to all other rights and remedies set forth in this solicitation. Specifically, the Government reserves its rights under the Inspection of Services (FAR 52.246-04, Aug 96) and Termination for Default (FAR 52.249-8, Apr 84) clauses. Any deduction pursuant to the PRS shall reflect the reduced value of services performed under the present contract. The Contractor shall not be relieved of full performance of the services hereunder and may be terminated for default based upon inadequate performance of service, even if a deduction was previously taken for inadequate performance. The Government may modify the type and frequency of inspection of items.

7. The enumeration of critical services and allowable degrees of deviation from perfect performance in this Performance Requirements Summary are not intended and should in no way be construed to indicate that the Government has bargained for anything less than satisfactory performance of all Required Services by the Contractor.

8. The Government reserves the right to require the Contractor to reperform any or all defective work, or perform late any incomplete or nonperformance disclosed by Government inspection or customer complaint. Rework or completion of incomplete or nonperformed work disclosed during Government inspection does not relieve the Contractor of required completion time as stated within the contract. Government action for defective work or nonperformance of work discovered by customer complaint or other inspection methods will be handled in accordance with FAR 52.246-04, Inspection of Services, Aug 1996.

## PERFORMANCE REQUIREMENTS SUMMARY TABLE

REQUIRED SERVICE	PERFORMANCE STANDARDS	MAXIMUM ALLOWABLE DEVIATION FROM THE REQUIREMENT (AQL)	METHOD OF SURVEILLANCE	MONTHLY CONTRACT PAYMENT REDUCTION FOR EXCEEDING THE AQL
Collection of refuse in all locations other than Family Housing	Perform collection services in accordance with 1.1.1.1. thru 1.1.1.2.	2.5% (4%)	Random Sampling	10%
Collection of refuse for <b>unscheduled collection</b>	Place containers, pickup refuse, and remove containers in accordance with 1.1.1.3.	1%	Customer Complaint	3%
Wastewater Treatment Plant Snail Containers	Perform services in accordance with 1.1.1.4.	1%	Customer Complaint	1%
Collection of refuse and yard waste for Family Housing	Perform collection services in accordance with 1.1.2.1. thru 1.1.2.2.	2.5% (4%)	Random Sampling	20%
Positioning of Containers	Perform services in accordance with 1.1.3.1. thru 1.1.3.2.	2.5% (4%)	Random Sampling	1%
Storage of Containers	Store containers taken out of use in accordance with 1.1.3.3. thru 1.1.3.4.	4% (6%)	Random Sampling	1%
Disposition of material and refuse collected	Dispose of material and refuse collected in accordance with 1.1.4.1.	2.5% (4%)	Random Sampling	6%
Cleaning of Refuse Containers	Performing cleaning of refuse containers in accordance with 1.1.5.2.	4% (6%)	Random Sampling	6%
Repair of Refuse Containers	Perform repairs in accordance with 1.1.5.1.	4% (6%)	Random Sampling	5%
Painting of Refuse Containers	Perform painting of refuse containers in accordance with 1.1.5.3.	1%	100% Inspection	5%
Check users, and accept waste at the C/D Landfill	Check users, accept waste and control scavenging in accordance with 1.1.6	1.5%	Random Sampling	3%
Designate deposit sites at C/D Landfill	Perform services in accordance with 1.1.6.	1.5%	Random Sampling	1%
Control traffic flow and monitor unloading of waste at C/D Landfill	Perform services in accordance with 1.1.6.	1 5%	Random Sampling	1%
Develop working face and place and compact debris	Develop working face and place and compact debris in accordance with 1.1.6.	6.5%	Random Sampling	7%
Apply cover to deposited materials	Apply weekly and final cover in accordance with 1.1.6.	6.5%	Random Sampling	3%
Maintain roads at C/D	Perform services in accordance with 1.1.6.	6.5%	Random Sampling	1%

Landfill				
Handle Waste Asbestos	Handle and dispose of asbestos waste in accordance with 1.1.6.	0%	Random Sampling	3%
Reports and Records	Complete records in accordance with 1.1.4., 1.1.6. and 7.1.1 thru 7.1.5.	1.5% (6.5%)	100% Inspection	3%
Establish and maintain a Quality Control Program	Establish program in accordance with 5. thru 5.6.	4% (6.5%)	Planned Inspection	8%